



Public Service Commission  
of Canada

Commission de la fonction publique  
du Canada



# **Public Service Commission of Canada**

## **2008-2009 Estimates**

### **Performance Report**

For the period ending  
March 31, 2009

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The Honourable James Moore, P.C., M.P.  
Minister of Canadian Heritage and Official Languages



**Public Service Commission of Canada  
2008-2009 Performance Report**

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## President's Message

I am pleased to present the 2008-2009 Departmental Performance Report (DPR) of the Public Service Commission (PSC) of Canada. This report provides an overview of the PSC's progress on the objectives specified in our 2008-2009 Report on Plans and Priorities.

The PSC is an independent agency reporting to Parliament and whose legacy of 100 years of continuous protection of merit and non-partisanship in the public service was celebrated throughout 2008-2009.

Our strategic outcome is to provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of access, fairness, transparency and representativeness.

In support of that outcome, the PSC identified five priorities for 2008-2009:

- to fully implement the *Public Service Employment Act*;
- to provide independent oversight and assurance to Parliament on the integrity of the staffing system and the non-partisanship of the federal public service;
- to enable organizations to manage their delegated responsibilities;
- to provide integrated and modernized staffing and assessment services; and
- to build on the model organization.

This report highlights our key accomplishments over the last year and identifies some of the areas that continue to be of concern. Our continued contribution to the objectives of public service renewal was among our key accomplishments in 2008-2009. Another was our participation in a strategic horizontal review of six central human resources agencies, which reaffirmed the PSC's role as guardian of merit and non-partisanship in the federal public service. We also initiated an independent review of our oversight activities, expanded our national area of selection policy to provide greater opportunities for Canadians, regardless of where they live or work, to apply for externally advertised jobs and we modernized our test services. The PSC also continued its discussion with Parliament as part of our work on important issues such as our audit of Executive appointments and our study on mobility in the public service.

The PSC is committed to working with federal organizations and sustaining the progress made in achieving the benefits of modernized staffing and recruitment in the federal public service. All PSC functions, including policy, oversight and services are critical in this regard, and I would like to recognize the dedication and contribution of all of our employees in helping the PSC fulfill its important mandate.

As part of a more streamlined approach to reporting, this year's DPR covers the most crucial aspects of the PSC's performance over the past year. Detailed information is available on the PSC's Web site at <http://www.psc-cfp.gc.ca> in the publications section.



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Maria Barrados, PhD  
President  
August 19, 2009

## **Section I – Public Service Commission overview**

### **Raison d'être and responsibilities**

#### **Raison d'être**

The Public Service Commission (PSC) is dedicated to building a public service that strives for excellence. We protect merit, non-partisanship and the use of both official languages while ensuring respect of the values of access, fairness, transparency and representativeness.

We recruit talented Canadians from across the country to the public service. We continually renew our recruitment services to meet the needs of a modern and innovative public service.

#### **Responsibilities**

On behalf of Parliament, the PSC safeguards the integrity of staffing and the non-partisan nature of the public service. In this respect, the PSC works closely with government but is independent from ministerial direction and is accountable to Parliament.

The PSC's mandate is threefold:

First, the PSC is mandated to administer provisions of the *Public Service Employment Act* (PSEA) related to the political activities of employees and deputy heads.

Second, the PSC is mandated to oversee the integrity of the staffing system and ensure non-partisanship. This oversight role includes maintaining and interpreting data on the public service, carrying out audits that provide assurance and making recommendations for improvements and conducting investigations that can lead to corrective action in the case of errors or problems.

Third, the PSC is mandated to appoint, or provide for the appointment of, persons to or from within the public service. This has been delegated to departments and agencies. The PSC provides staffing and assessment functions and services to support staffing in the public service.

## Public Service Commission's strategic outcome and Program Activity Architecture

The Public Service Commission's (PSC) Program Activity Architecture consists of one strategic outcome and four program activities.

Strategic Outcome	
To provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of access, fairness, transparency, and representativeness	
1.1.0 Appointment Integrity and Political Neutrality	<a href="#">1.1.1 Policy, Regulation, and Exclusion Approval Orders and Guides</a> <a href="#">1.1.2 Delegated Appointment Authorities</a> <a href="#">1.1.3 Non-delegated Authorities</a> <a href="#">1.1.4 Political Activities (Note 1)</a>
1.2.0 Oversight of Integrity of Staffing and Political Neutrality	<a href="#">1.2.1 Monitoring</a> <a href="#">1.2.2 Audits, Studies and Evaluations</a> <a href="#">1.2.3 Investigations and Early Intervention Mechanisms</a>
1.3.0 Staffing Services and Assessment	<a href="#">1.3.1 Staffing Services</a> <a href="#">1.3.2 Assessment</a>
2.1.0 Internal Services - These services contribute to all program activities	

Note 1: In the 2008-2009 Report on Plans and Priorities, 1.1.4 Political Activities was included with 1.1.1, 1.1.3 and 1.2.1.

Information, by sub-activity, can be found on the publications section of the PSC's Web site at <http://www.psc-cfp.gc.ca>.

## Performance summary

### Financial and human resources

2008-2009 Financial Resources (\$ thousands)		
Planned Spending	Total Authorities*	Actual Spending
99,610	111,806	106,285

\*Note: The increase in the Total Authorities from Planned Spending of \$12,197 thousand is mainly due to the operating budget carry forward from the previous fiscal year, as well as from pay and compensation adjustments.

2008-2009 Human Resources (FTEs)		
Planned	Actual	Difference
1,030	1,009	21

### Variance explanations

In 2008-2009, PSC expenditures were \$106,285 thousand against authorities of \$111,806 thousand. The under-expenditure is mainly due to delays in staffing, delays in the implementation of some projects and changes in program responsibility. The PSC is planning to carry forward to 2009-2010 the maximum permitted amount of \$4,917 thousand, representing 5% of its total spending authorities in the Main Estimates.

## Performance summary table

The following is a summary of expected results and financial resources associated with each program activity that contributes to the achievement of the PSC's strategic outcome. The performance status of each expected result is indicated below. On the whole, the PSC achieved the results it planned in 2008-2009.

<b>Strategic Outcome:</b> <i>To provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of access, fairness, transparency, and representativeness.</i>		<b>Alignment to Government of Canada Outcomes:</b> <i>Government Affairs - Safeguarding and fostering the integrity and political neutrality of public servants</i>			
Program Activity Information by program activity is outlined in Section II.	2007-2008 Actual Spending (\$ thousands)	2008-2009 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities*	Actual Spending
<b>1.1.0 Appointment Integrity and Political Neutrality</b>	16, 993	19,334	16,977	20,753	17,047
<b>Expected Result:</b> Recruitment strategies and staffing practices, consistent with the <i>Public Service Employment Act (PSEA)</i> and PSC strategic outcome, are implemented across the public service <b>Performance Status: Mostly met</b>					
<b>1.2.0 Oversight of Integrity of Staffing and Political Neutrality</b>	28,490	34,211	36,106	37,068	33,071
<b>Expected Result:</b> Organizations have implemented PSC monitoring and audit recommendations and corrective action as a result of investigations that contribute to safeguarding the integrity of staffing and political neutrality <b>Performance Status: Mostly Met</b>					
<b>Expected Result:</b> Enhanced risk-based oversight of the integrity of public service staffing <b>Performance Status: Mostly Met</b>					
<b>1.3.0 Staffing Services and Assessment</b>	57, 398	43,083	46,527	53,985	56,167
<b>Expected Result:</b> Staffing and assessment services and products meet the business needs of clients and are consistent with the PSEA and the PSC's strategic outcome <b>Performance Status: Mostly met</b>					
<b>Total</b>	102,881	96,628	99,610	111,806	106,285
Less: Non-responsible revenues	1,385	n/a	1,900	n/a	1,471
Plus: Cost of services received without charge	16,479	n/a	17,351	n/a	18,056
<b>Total PSC Spending</b>	117,975	n/a	115,061	n/a	122,870
<b>Full-time Equivalents</b>	993	n/a	1,030	n/a	1,009

\*Note: Total Authorities represent the PSC internal budget allocations.

## Contribution of priorities to the Public Service Commission's strategic outcome

The PSC has made significant progress in achieving its strategic outcome and meeting the five priorities identified in the 2008-2009 Report on Plans and Priorities.

### Operational Priorities:

<b>Priority I:</b> Fully implement the PSEA	<b>Type:</b> Previously committed
<b>Linkages to Program Activity:</b> 1.1.0 Appointment Integrity and Political Neutrality	<b>Performance Status:</b> Mostly Met
<p>The <i>Public Service Employment Act</i> (PSEA) and the PSC Appointment Framework (AF) came into force on December 31, 2005 enabling departments and agencies to customize their staffing programs and processes to address their own situations and needs.</p> <p>After more than three years under the new legislation, the PSC found evidence that departments had continued to make progress in implementing the PSEA. Further, the PSC started to see examples of strong management performance. In particular, there was significant progress in the number of organizations having acceptable integrated human resources (HR) and business planning and there was a significant increase in organizations assessed as acceptable with respect to their organizational HR resources support systems. Performance with respect to managerial accountability for results suggests that, in this area, there still remains significant opportunity for improvement.</p> <p>The PSC concluded in 2008-09 that the core values of merit and non-partisanship are generally being respected across the public service. However, the PSC also found signs that the integrity of the appointment system may be being undermined by the cumulative impacts of organizational practices that do not adequately adhere to a values-based approach respecting the guiding values of fairness, access, transparency and representativeness. It found individual cases where merit was not respected, or where there was insufficient evidence to determine if merit was respected. The PSC also noted the emergence of new challenges with respect to non-partisanship that require more attention.</p> <p>As part of its preparations for the five-year review that is required under Section 136 of the PSEA, in 2008-09 the PSC began to take stock of the progress that has been made on implementing the roles and responsibilities assigned to it under the Act and identifying areas where improvements can be made (page 18).</p>	



<b>Priority II:</b> Provide independent oversight and assurance to Parliament on the integrity of the staffing system and the non-partisanship of the federal public service	<b>Type:</b> Previously committed, revised for 2008-2009
<b>Linkages to Program Activity:</b> 1.2.0 Oversight of Integrity of Staffing and Political Neutrality	<b>Performance Status:</b> Mostly Met- However, some calibration is needed in the quality and amount of monitoring, and the PSC needs to develop its capacity in monitoring and audit activities
<p>The Public Service Commission provides independent oversight through on-going monitoring, audits, studies and investigations.</p> <p>Through its Departmental Staffing Accountability Report, the PSC monitors organizational staffing performance and activities. The PSC provided all organizations with annual feedback including specific recommendations for improvement (page 21).</p> <p>In 2008-2009, the PSC tabled its <i>Report on investigations conducted by the Public Service Commission in 2007-2008</i>, as well as two audit reports to Parliament "Government-wide audit of executive (EX) appointments" and "Royal Canadian Mounted Police – appointments under the Public Service Employment Act" and one follow-up audit, "Commission for Public Complaints Against the RCMP". The PSC also released three studies: Study on mobility of public servants; the Educational Profile of Appointees; and Appointment under the PSEA following participation in federal student employment programs (page 21).</p> <p>Through its monitoring and audit activities, the PSC provided feedback on the results of two audits, one follow-up audit and three studies to organizations to help them manage their delegated staffing duties in a responsible manner (page 21).</p> <p>The Oversight Review committee concluded that the oversight activities of the PSC, namely monitoring, audit and investigations are the right ones. However, some calibration is needed in the quality and amount of monitoring, and the PSC needs to develop its capacity in monitoring and audit activities. An action plan has been developed in response to these recommendations (page 21).</p>	
<b>Priority III:</b> Enable organizations to manage their delegated responsibilities	<b>Type:</b> New
<b>Linkages to Program Activities:</b> All Program Activities	<b>Performance Status:</b> Mostly Met
<p>To effectively manage their delegated responsibilities, in 2008-2009, the PSC provided departments and agencies with relevant and accurate policy information, interpretation and advice. The PSC also developed or revised a number of policy support tools to assist human resource (HR) advisors and managers in understanding the expectations of the PSC regarding legislative and policy requirements (PA 1.1.0, page 19).</p> <p>The PSC also provided a broad range of staffing and assessment services that assisted deputy heads in the exercise of their delegated authorities. These services complement those already available in departments and agencies. They consist of turnkey and <i>à la carte</i> services as well as of the creation of pools and inventories at various groups and levels, thus providing organizations with timely access to partially or fully assessed candidates (PA 1.3.0, page 24).</p>	

With respect to assessment, the PSC implemented a new Second Language Evaluation (SLE) Test of Oral Proficiency and a shortened version of the SLE Test of Written Expression. The revised tests ensure that second language qualifications are measured consistently and that second language testing does not pose an obstacle to managers staffing bilingual positions in the federal public service (PA 1.3.0, page 24).

In 2008-2009, the PSC made available additional e-testing instruments and expanded the number of e-test centres across the country. This resulted in faster test scoring which accelerated the communication of test results to organizations and reduced test administration costs. (PA 1.3.0, page 25).

The PSC has developed a business plan for the Public Service Staffing Modernization Project to identify government-wide business requirements such as the creation of one staffing portal for internal and external staffing. The PSC has worked with the Treasury Board of Canada Secretariat and organizations to discuss funding options (PA 1.3.0, page 25).

**Priority IV:**

Provide integrated and modernized staffing and assessment services

**Type:**

Previously committed, revised for 2008-2009

**Linkages to Program Activity:**

1.3.0 Staffing Services and Assessment

**Performance Status:**

Mostly Met

In 2008-2009, the PSC, with the support of the Clerk of the Privy Council, created a Deputy Minister Advisory Committee on PSC staffing and assessment services. The Committee advises the PSC on issues concerning the delivery of its staffing and assessment services (page 24).

Many changes related to staffing service delivery occurred with the transition to an expanded cost recovery environment. The PSC remained the service provider of choice for more than 50 different federal organizations. The PSC created 43 pools for various occupational groups and provided organizations with timely access to candidates whose qualifications had been partially or fully assessed. Qualified candidate pools from the PSC-led centralized staffing processes were used to staff similar positions in several government departments and agencies. In addition, there were four PSC-led inventories established to help provide organizations with a list of candidates who had self-reported on their qualifications but had yet to be formally assessed (page 24).

The PSC undertook an audit and internal review of its test security practices after receiving information which suggested that a private language school was in possession of PSC SLE tests. The audit concluded that the private sector school possessed and used versions of the PSC SLE reading and writing tests without the authorization of the PSC. The PSC updated its Test Security Action Plan to address the recommendations from both the audit and the internal review (page 25).

Outreach and marketing activities contributed to an increase in the number of applications received by specialized recruitment programs such as the Federal Student Work Experience Program and the Post-Secondary Recruitment and Recruitment of Policy Leaders campaigns, enabling organizations to meet their commitments to public service renewal (page 24).

The PSC also partnered with 16 federal organizations to create a visible minority executive pool that enabled federal organizations to facilitate representation of this particular employment equity group in the public service (page 25).

**Management Priority:**

<b>Priority V:</b> Build on the model organization	<b>Type:</b> Previously committed revised for 2008-2009
<b>Linkages to Program Activities:</b> All program activities	<b>Performance Status:</b> Mostly Met
<p>In 2008-2009, the PSC celebrated its 100 year anniversary. The PSC commemorated its centenary through various activities which raised awareness of, and fostered dialogue on, core values of the PSEA. In its sustained effort to become a model organization and as part of its commitment to public service renewal, during the reporting period, the PSC established action plans in four key areas: HR planning, recruitment, employee development and enabling infrastructure. Highlights from these plans include the implementation of a three-year innovative talent management framework focused on the development and retention of employees, a semi-annual "Employee Engagement Survey" and action plans designed to respond to employee concerns and issues and the implementation of PeopleSoft in order to modernize the PSC's HR information systems.</p> <p>The Public Service Employee Survey conducted in 2008 revealed that, overall, PSC employees like their jobs (83%)<sup>1</sup>. Several areas of strength for the PSC were related to an equitable work unit. Most believed that their work unit provided high quality services to clients (PSC 92% versus public service 87%). A higher proportion of employees within the PSC felt that every individual member of their unit is accepted as an equal member of the team (PSC 91% versus public service 85%).</p> <p>The PSC, once again, received strong ratings from the Treasury Board Secretariat for its Management Accountability Framework (MAF Round VI).</p> <p>As a part of its robust financial control regime, the PSC requested, for the fourth consecutive year, that the Office of the Auditor General conduct an independent audit of its financial statements. Once again, the PSC received an unqualified audit opinion for 2008-2009.</p> <p>In 2008-2009, implementation of key Information Technology systems commenced including the Records, Document and Information Management System (RDIMS) and the PeopleSoft Human Resource Management system.</p>	

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<sup>1</sup> PSES results are from the Centre for Workforce Analysis and Forecasting, Statistics Canada



## **Risk analysis**

### **Public Service Commission operating environment**

A number of events took place in 2008-2009 which significantly impacted the public service and the Public Service Commission (PSC), including the economic downturn, continued efforts on public service renewal and the horizontal strategic review of human resources (HR) management.

In addition, in February 2009, the Prime Minister announced changes to HR governance in the public service to ensure deputy heads have the primary responsibility for managing their employees and that roles and responsibilities for HR are clarified. The announcement also reconfirmed the PSC's role as guardian of merit and non-partisanship in the public service of Canada.

### **A highly delegated staffing system**

The *Public Service Employment Act* (PSEA), which came into force in December 2005, encourages the PSC to delegate its appointment authorities to deputy heads and, through them, to their managers. The intention is to give managers more authority and discretion to hire employees in order to meet the needs of Canadians, within a framework of accountability to the PSC, which in turn is accountable to Parliament.

The PSC concluded in 2008-09 that the core values of merit and non-partisanship are generally being respected across the public service. However, the PSC also found signs that the integrity of the appointment system may be being undermined by the cumulative impacts of organizational practices that do not adequately adhere to a values-based approach respecting the guiding values of fairness, access, transparency and representativeness. It found individual cases where merit was not respected, or where there was insufficient evidence to determine if merit was respected. The PSC also noted the emergence of new challenges with respect to non-partisanship that require more attention.

Canadians continued to demonstrate their interest in public service employment in 2008-2009. There were more than 26 million visits to the PSC's job Website (<http://jobs-emplois.gc.ca>). More than one million applications were submitted in response to over 10,000 advertised positions. In addition, as a result of the PSC finalizing expansion of the use of the national area of selection, since December 2008, all full-time term positions of more than six months and all full-time external advertised long-term indeterminate staffing processes are now open to candidates across Canada. The result of this has been increased access for Canadians to federal public service jobs. The economic downturn that began during the period is likely to increase the relative attractiveness of the public service as an employer and emphasize the importance of ensuring a merit-based and non-partisan public service.

### **Working with departments and agencies**

Effective mechanisms for oversight and accountability are critical for the success of a highly delegated and decentralized system. The PSC uses many tools to fulfill its responsibility to ensure that deputy heads exercise their delegated authorities appropriately and adhere to the values of the PSEA.

A Deputy Minister Advisory Committee was created in 2008-2009 to provide strategic advice concerning the delivery of PSC staffing and assessment services that meet the needs of delegated managers. It also provided advice on PSC strategies and systems to connect job seekers in the Canadian public (including public service employees) with the job opportunities posted by the hiring departments and agencies.

#### **Safeguarding non-partisanship**

A non-partisan public service is essential for both a professional public service and a responsible, democratic government. In the past, efforts to achieve a non-partisan public service have centered on ensuring appointments to the public service are free of political influence and imposing restrictions on the political activities of public servants following their appointment. In 2005, the PSEA reaffirmed non-partisanship as a core value of the public service and, in Part 7, expanded the role of the PSC in safeguarding it.

Today, technological, social, cultural, economic and legal developments are putting the traditional approach to the test. They are creating new avenues for political activity by public servants, as well as potential new risks for the non-partisan character of the public service.

#### **Public Service Commission internal challenges**

In 2008-2009, the PSC also dealt with its own internal challenges, including building capacities in key areas of its mandate, introducing essential technology, continuously strengthening management practices, engaging employees and ensuring stable funding.

In January 2009, the government announced the results of the horizontal strategic review of HR management as part of Budget 2009. The PSC, along with the Treasury Board of Canada Secretariat, the Canada Public Service Agency, the Canada School of Public Service, the Public Service Staffing Tribunal and the Public Service Labour Relations Board participated in this review. As a result of the review, the PSC's annual budget will be reduced by \$3.1 million in 2009-2010 and a further \$1.5 million in 2011-2012, for a total permanent reduction of \$4.6 million.

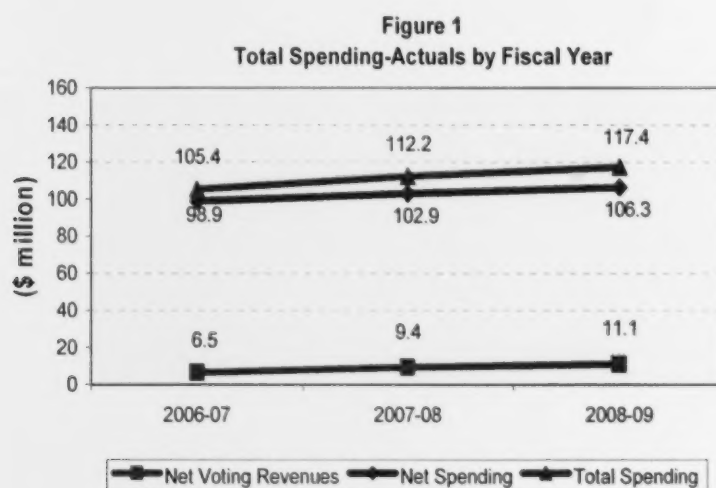
Funding for the Public Service Staffing Modernization Project (PSSMP) is not secure. Since the PSEA was introduced in 2005, the PSSMP has delivered a national e-recruitment system, the Public Service Resourcing System (PSRS) for external government hiring. The PSRS also provides critical automation support for the NAOS policy for externally advertised government jobs. The PSSMP has been subject to internal audit and evaluation, has been delivered on time and on-budget, and has achieved its planned results; however, funding runs out in March 2011. The PSC submitted a business case to the Treasury Board of Canada Secretariat for the next phase of work for PSSMP, outlining the ongoing funding and investments required, but no decision has yet been made.

The PSC has identified additional challenges and risks emerging from the complex environment in which it operates and adopted strategies to address them. They are detailed in the 2008-2009 PSC Report on Plans and Priorities at (<http://www.tbs-sct.gc.ca/rpp/2008-2009/inst/psc/psc00-eng.asp>).

## Expenditure profile

### Spending trend

The Public Service Commission's spending trend from 2006-2007 through 2008-2009 is illustrated in Figure 1. Total spending consists of the net spending (appropriated) amount plus net voting revenues. The PSC has Treasury Board approval to use cost recovery for Assessment Services of up to \$14 million.



### Voted and statutory items

(\$ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006-2007	2007-2008	2008-2009	
		Actual Spending	Actual Spending	Main Estimates	Actual Spending
80	Program Expenditures	87,504	90,692	84,955	93,601
(S)	Contributions to Employee Benefit Plans	11,370	12,189	11,673	12,680
(S)	Spending of proceeds from the disposal of surplus Crown assets	2	-	-	4
	Total Voted and Statutory Items	98,876	102,881	96,628*	106,285

\*Note: Total authorities were \$111.8 million. For detailed information, see the Performance summary table on page 6.

## Section II – Analysis of program activities by strategic outcome

### *Strategic Outcome*

*To provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of access, fairness, transparency, and representativeness.*

#### **Benefits to Canadians:**

In 2008-2009, the Public Service Commission celebrated a legacy of 100 years of continuous protection of merit and non-partisanship in the public service on behalf of Parliament, key elements for ensuring a professional, permanent public service that supports a democratic government.

### **Performance information**

The Public Service Commission's (PSC) 2008-2009 Departmental Performance Report presents the results achieved against planned performance expectations as set out in our 2008-2009 Report on Plans & Priorities.

The PSC's assessment of staffing performance is based on the Staffing Management Accountability Framework and focused on 76 delegated departments and agencies<sup>2</sup>. The use of survey indicators at the organizational level is still under-development.

To ensure consistency, the indicators and performance measures for the PSC's strategic outcome have been revised to reflect those of the PSC's Annual Report. The progress towards each element of our strategic outcome is reported below. More information can be found in the PSC's Annual Report at (<http://www.psc-cfp.gc.ca/>).

INDICATOR	PERFORMANCE INFORMATION
<b>Flexibility and Efficiency</b>	
<b>Indicator 1:</b> Improved manager satisfaction with flexibility in making appointments <b>Performance measure:</b> Level of satisfaction <b>Indicator 2:</b> Reduced length of time for appointment process <b>Performance measure:</b> Monitor trends	86% of managers responding to the PSC Survey of Staffing <sup>3</sup> conducted in 2008-2009 felt they had at least some flexibility to carry out staffing processes in an efficient manner. The average time to staff during 2008-2009, for internal advertised processes, was 124 calendar days (17.7 weeks) for distinct processes compared to 154 days (22 weeks) for processes considered to be collective. In comparison, the average time to staff during 2007-2008 was 132 calendar days (18.9 weeks) for distinct processes compared to 155 days (22.1 weeks) for processes considered to be collective. Time to staff data is collected through the Publiservice Web site and is calculated based on date the advertisement is posted to the date of first notification of appointment.
<b>Indicator 3:</b> Progress with appointee satisfaction regarding duration of appointment process <b>Performance measure:</b> Level of satisfaction	Overall, 6 out of 10 Survey of Staffing respondents, who were candidates in advertised processes, were either neutral about or satisfied with the elapsed time taken to complete the process.

<sup>2</sup> Assessed 76 delegated departments and agencies' performance for 2008-2009. Two organizations were not assessed, due to being newly created in 2008-2009. 4 organizations were not assessed due to being subject to a PSC audit. Total delegation departments and agencies 82.

<sup>3</sup> The PSC has developed a new sampling methodology, which is reflected in the Survey of Staffing (SOS) covering internal and external appointments, term and indeterminate, for processes ending between October 1, 2007 and September 30, 2008. This is the first year that SOS data is available and, thus, no comparative analysis is possible.

## Section II – Analysis of program activities by strategic outcome

### *Strategic Outcome*

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<b>Indicator 2:</b> Reduced length of time for appointment process <b>Performance measure:</b> Monitor trends	The average time to staff during 2008-2009, for internal advertised processes, was 124 calendar days (17.7 weeks) for distinct processes compared to 154 days (22 weeks) for processes considered to be collective. In comparison, the average time to staff during 2007-2008 was 132 calendar days (18.9 weeks) for distinct processes compared to 155 days (22.1 weeks) for processes considered to be collective. Time to staff data is collected through the Publiservice Web site and is calculated based on date the advertisement is posted to the date of first notification of appointment.
<b>Indicator 3:</b> Progress with appointee satisfaction regarding duration of appointment process <b>Performance measure:</b> Level of satisfaction	Overall, 6 out of 10 Survey of Staffing respondents, who were candidates in advertised processes, were either neutral about or satisfied with the elapsed time taken to complete the process.

<sup>2</sup> Assessed 76 delegated departments and agencies' performance for 2008-2009. Two organizations were not assessed, due to being newly created in 2008-2009. 4 organizations were not assessed due to being subject to a PSC audit. Total delegation departments and agencies 82.

<sup>3</sup> The PSC has developed a new sampling methodology, which is reflected in the Survey of Staffing (SOS) covering internal and external appointments, term and indeterminate, for processes ending between October 1, 2007 and September 30, 2008. This is the first year that SOS data is available and, thus, no comparative analysis is possible.



INDICATOR	PERFORMANCE INFORMATION
<b>Merit</b> (includes Competencies and Official Languages)	
<b>Indicator 1:</b> Managers' satisfaction with quality of hires <b>Performance measure:</b> Level of satisfaction	Of those managers responding to the Survey of Staffing who indicated they had sufficient opportunity to observe the performance of the appointee, 98% were satisfied with the quality of the hire for the last position that they staffed during the reporting period.
<b>Indicator 2:</b> Percent of non-imperative appointments where the person does not meet the official language profile within the time periods prescribed by regulations <b>Performance measure:</b> Number of non-compliant cases	On March 31, 2009, there were 69 cases exceeding two years that were not compliant with the Public Service Official Language Exclusion Approval Order (PSOLEAO) or its Regulations. This number has decreased from 156 in the previous year.
<b>Indicator 3:</b> Candidates' perceptions on whether actual job requirements match advertised requirements <b>Performance measure:</b> Percentage of candidates who felt job requirements matched advertised requirements	79% of candidates responding to the Survey of Staffing indicated that, within their work unit, advertised job requirements reflected the requirements of the position to be filled
<b>Indicator 4:</b> Candidates' perceptions on whether the posted qualifications and criteria for positions are bias-free and barrier-free; <b>Performance measure:</b> under review	Of those candidates responding to the Survey of Staffing, 44% indicated that, within their work unit, advertised job requirements posed at least moderate barriers to candidates who would otherwise qualify for the position.
<b>Indicator 5:</b> Trends in founded Public Service Staffing Tribunal (PSST) complaints and PSC investigations into staffing; and <b>Performance measure:</b> Number of founded PSST complaints or PSC investigations into staffing	In 2008-09, there were 21 founded PSC investigations – 15 related to external appointment processes and 6 related to fraud. This has increased from the previous year when there were 6 founded investigations – 3 related to external processes and 3 related to fraud. In addition, the PSST found that there was abuse of authority in 6 complaints brought before the tribunal.
<b>Indicator 6:</b> Trends in in-house investigations and founded complaints. <b>Performance measure:</b> Number of founded complaints into staffing based on in-house investigations	In 2008-09, there were nine investigations of internal processes, of which six were founded. Of the six founded complaints, one investigation was conducted by the PSC at the deputy head's request. This has increased from 2007-2008, when deputy heads investigated four internal processes, two of which were founded.
<b>Non-partisanship</b>	
<b>Indicator 1:</b> Managers' perceptions of external pressure to select a particular candidate <b>Performance measure:</b> under review	Not available.
<b>Indicator 2:</b> Number of founded complaints related to political influence in staffing. <b>Performance measure:</b> Number of founded PSC complaints related to political influence in staffing	Over the course of 2008-2009, no cases of political influence in staffing were brought to the attention of the PSC.
<b>Fairness</b>	
<b>Indicator 1:</b> Candidates' perceptions of the fairness of the assessment process <b>Performance measure:</b> Monitor trends	Of the candidates responding to the Survey of Staffing who participated in an advertised process, 71% indicated that the factors on which they were eliminated were evaluated fairly.
<b>Indicator 2:</b> Percentage of acting appointments that became indeterminate in the same or similar position in the same organization. <b>Performance measure:</b> Monitor trends	The number of acting appointments that had subsequent promotions was 30% over the last three fiscal years (2006-2007 to 2008-2009). Similarly, the number of acting appointments remained relatively stable, representing about 17% of overall promotions.

INDICATOR	PERFORMANCE INFORMATION
<b>Transparency</b>	
<b>Indicator 1:</b> HR plans and staffing strategies are communicated on organizations' Web sites and contents are clearly communicated to employees and managers <b>Performance measure:</b> Current HR plans and staffing strategies are communicated to employees in a timely and transparent manner	Based on 2008-2009 DSAR results, 78% of organizations were assessed with acceptable performance in ensuring transparency regarding their staffing activity by communicating their HR plan and staffing strategies to staff.
<b>Indicator 2:</b> Organizations demonstrate consultation and communication of staffing-related information to unions <b>Performance measure:</b> The organization communicates with and consults unions on staffing issues in a timely and transparent manner	Based on 2008-2009 DSAR results, 95% of organizations were assessed with acceptable performance in consulting with unions on staffing issues.
<b>Indicator 3:</b> Length of time job openings posted <b>Performance measure:</b> under review	For external advertisements, over one third of the approximately 1 million applications received in Public Service Resourcing System (PSRS) each year are for jobs advertised for 2 days or less. These processes average over 250 applications per job posting. For internal advertisements, one percent of the jobs advertised through Publiservice were for two days or less. These processes average around 30 applications per job posting.
<b>Indicator 4:</b> Candidates' perceptions of openness and transparency in internal staffing <b>Performance measure:</b> Monitor trends	Of the candidates responding to the Survey of Staffing 71% described staffing within their work unit as being conducted in a transparent manner.
<b>Access</b>	
<b>Indicator 1:</b> Ratio of non-advertised external processes to total <b>Performance measure:</b> Monitor trends	In 2008-09, 26% of external processes were non-advertised.
<b>Indicator 2:</b> External processes advertised nationally to total <b>Performance measure:</b> under review	Due to a change in policy, the PSC expects that 100% of all external advertised processes for indeterminate positions and terms over six months, unless the positions are seasonal in nature or have been granted an exception, will be advertised nationally.
<b>Indicator 3:</b> Ratio of non-advertised internal processes to total <b>Performance measure:</b> Monitor trends	In 2008-09, 45% of internal processes were non-advertised.
<b>Indicator 4:</b> Trends of managers' selection of non-advertised processes <b>Performance measure:</b> Monitor trends	Hiring managers who answered the PSC Survey of Staffing indicated the following reasons as important for using non-advertised processes: <ul style="list-style-type: none"> <li>• 87% indicated an urgent need to staff the position;</li> <li>• 75% indicated a skill shortage; and</li> <li>• 57% indicated a developmental program or other investment in staff.</li> </ul>

INDICATOR	PERFORMANCE INFORMATION
<b>Representativeness</b>	
<p><b>Indicator 1:</b> EE distribution of hires versus work force availability</p> <p><b>Performance measure:</b> Monitor trends</p>	<p>For Aboriginal peoples, there was a decrease in the recruitment rate from 4.4% in 2007-2008 to 4.2% in 2008-2009, as compared to a workforce availability (WFA<sup>4</sup>) of 3.0%.</p> <p>For visible minorities, there has been a steady increase in their recruitment rates to the public service, from 15.6% in 2006-2007 to 18.8% in 2008-2009, as compared to a WFA of 12.4%.</p> <p>For persons with disabilities, recruitment rates have dropped from 3.9% in 2006-2007 to 3.3% in 2008-2009, as compared to a WFA of 4.0%.</p>
<p><b>Indicator 2:</b> Number and percentage of internal and external staffing advertisements with EE provisions – to enhance access of EE group members to public service positions</p> <p><b>Performance measure:</b> Monitor trends</p>	<p>Organizations used EE provisions in 34% of externally advertised processes and in 35% of internally advertised processes, increases of 9 and 5 percentage points respectively over the previous fiscal year.</p>

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<sup>4</sup> Workforce Availability based on 2006 census data.



## Program activity 1.1.0 – Appointment Integrity and Political Neutrality

*The Appointment Integrity and Political Neutrality activity develops and maintains a policy and regulatory framework for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes establishing policies and standards, providing advice, interpretation and guidance and administering delegated and non-delegated appointment authorities.*

### Benefits to Canadians:

Merit and non-partisanship in the federal public service - key elements for ensuring a professional, permanent public service that supports a democratic government - are safeguarded through a policy and regulatory frameworks.

2008-2009 Financial Resources (\$ thousands)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
16,977	20,753	17,047	154	142	12

### Performance Information

**Expected result:** *Recruitment strategies and staffing practices, consistent with the Public Service Employment Act (PSEA) and Public Service Commission (PSC) strategic outcome, are implemented across the public service*

**Mostly Met**

**Indicator 1:** Level of success in implementing recruitment strategies and staffing practices, consistent with the PSEA and the PSC strategic outcome, across the public service

**Target:** Satisfactory findings on the implementation of the PSEA

**Performance evidence:** Preliminary work to develop an integrated PSC approach for assessing implementation of the Act and preparing for the five-year review required under Section 136 of the PSEA were completed.

**Indicator 2:** Number of delegation instruments with limitations or conditions imposed by the PSC

**Target:** Zero

**Performance evidence:** As of March 31, 2009, three organizations were subject to a modified delegation instrument with limitations or conditions imposed by the PSC: the Canada Space Agency, the Office of the Correctional Investigator and the Royal Canadian Mounted Police.

The target of zero is a challenge as the PSC cannot control compliance and the subsequent limitations or conditions imposed on departments and agencies. The PSC determines compliance through its oversight activities. The number of organizations with restrictions remained the same as the previous year.

**Indicator 3:** Number of complaints to Public Service Staffing Tribunal (PSST)

**Target:** Under development

**Performance evidence:** In 2008-2009, 583 complaints were referred to the PSST in 2008-2009, up from 566 in 2007-2008.

### Performance analysis

The PSEA includes a legislative requirement to review the Act, its administration and operation five years after it comes into force. As part of its preparation for this review, the PSC began a number of studies and projects to determine whether the objectives of the PSEA and the PSC's strategic outcomes have been achieved.

## Program activity 1.1.0 – Appointment Integrity and Political Neutrality

*The Appointment Integrity and Political Neutrality activity develops and maintains a policy and regulatory framework for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes establishing policies and standards, providing advice, interpretation and guidance and administering delegated and non-delegated appointment authorities.*

### Benefits to Canadians:

Merit and non-partisanship in the federal public service - key elements for ensuring a professional, permanent public service that supports a democratic government - are safeguarded through a policy and regulatory frameworks.

2008-2009 Financial Resources (\$ thousands)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
16,977	20,753	17,047	154	142	12

### Performance Information

<b>Expected result:</b> <i>Recruitment strategies and staffing practices, consistent with the Public Service Employment Act (PSEA) and Public Service Commission (PSC) strategic outcome, are implemented across the public service</i>	<b>Mostly Met</b>
<b>Indicator 1:</b> Level of success in implementing recruitment strategies and staffing practices, consistent with the PSEA and the PSC strategic outcome, across the public service <b>Target:</b> Satisfactory findings on the implementation of the PSEA	
<b>Performance evidence:</b> Preliminary work to develop an integrated PSC approach for assessing implementation of the Act and preparing for the five-year review required under Section 136 of the PSEA were completed.	
<b>Indicator 2:</b> Number of delegation instruments with limitations or conditions imposed by the PSC <b>Target:</b> Zero	
<b>Performance evidence:</b> As of March 31, 2009, three organizations were subject to a modified delegation instrument with limitations or conditions imposed by the PSC: the Canada Space Agency, the Office of the Correctional Investigator and the Royal Canadian Mounted Police. The target of zero is a challenge as the PSC cannot control compliance and the subsequent limitations or conditions imposed on departments and agencies. The PSC determines compliance through its oversight activities. The number of organizations with restrictions remained the same as the previous year.	
<b>Indicator 3:</b> Number of complaints to Public Service Staffing Tribunal (PSST) <b>Target:</b> Under development	
<b>Performance evidence:</b> In 2008-2009, 583 complaints were referred to the PSST in 2008-2009, up from 566 in 2007-2008.	

### Performance analysis

The PSEA includes a legislative requirement to review the Act, its administration and operation five years after it comes into force. As part of its preparation for this review, the PSC began a number of studies and projects to determine whether the objectives of the PSEA and the PSC's strategic outcomes have been achieved.

One of the major projects begun during the reporting period was the review of the PSC Appointment Policy Framework. In 2008-2009, detailed Terms of Reference and an Action Plan for the review were developed, consultations with internal and external stakeholders took place and, research, analyses, and special studies were initiated.

The PSC also demonstrated continuous leadership in supporting 82 federal departments and agencies in managing their delegated staffing authorities. Over 2008-2009, the PSC offered 144 information sessions to 3,689 participants. The PSC also developed a number of tools, including a staffing checklist, guidance on informal discussions, and selection for retention and lay-offs. These tools will soon become available to all departments and agencies. Feedback received during the development and consultation phases of these tools has been very positive. All SmartShop/Information sessions were well received by both the Human Resources and Managers' communities. Based on feedback provided by the participants, 75% of the respondents felt that the PSC had met its objective for the information sessions. The participants were also asked to rate the content and presentation for which the results were over 70% and 84% respectively, indicating above average to excellent ratings.

As of December 2008, the PSC finalized its expansion of the use of national area of selection (NAOS) for all occupational groups across the country. All full-time indeterminate positions and term positions of six months or more are now open across the country and to Canadians living abroad. This is a significant improvement as access to these jobs across Canada has gone from 19 percent (2004) to 55 percent (2007) to 100 percent access in 2008.

The PSC also administered the political activities regime under Part 7 of the PSEA. The purpose of Part 7 is to recognize the right of employees to engage in political activities, while maintaining the principle of political impartiality in the public service. Work was undertaken in 2008-2009 to improve employees' awareness of their rights and legal obligations regarding political activities. There were 29 information sessions given to approximately 450 participants on political activities in 13 locations across Canada. During this period, the PSC received a total of 54 political candidacy requests, a 20% increase from the previous year, for federal, provincial, territorial, and municipal elections. A total of 50 requests were presented for PSC decision, of which 48 were granted permission and 2 were denied.

#### **Lessons learned**

Despite the communication efforts made by the PSC, there remains a need for greater awareness and understanding on the part of public servants subject to Part 7: Political Activities of the PSEA as they engage in political activities, including non-candidacy related activities. There is also a need to ensure that public servants are aware of the new legislative requirement to request and obtain PSC permission prior to seeking to be a candidate in a municipal election (as well as federal, provincial and territorial elections); to have access to clearer guidance on what constitutes political activities; to be able to assess and make reasonable decisions about their involvement in non-candidacy related political activities and be aware of the consequences of inappropriate behaviour. The challenge of ensuring a non-partisan public service is becoming more complex because of technological innovations such as social networking sites and changing attitudes about work, careers and relationships with federal institutions. In this context, the PSC will be playing a leadership role in reconsidering non-partisanship for the future, including linkages to the new federal employees' code of conduct currently being developed.

## Program activity 1.2.0 – Oversight of Integrity of Staffing and Political Neutrality

*The Oversight of Integrity of Staffing and Political Neutrality activity provides an accountability regime for the implementation of the appointment policy and regulatory frameworks for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes monitoring departments' and agencies' compliance with legislative requirements, conducting audits, studies and evaluations, carrying out investigations and reporting to Parliament on the integrity of public service staffing.*

### Benefits to Canadians:

The policy and regulatory framework safeguarding merit and non-partisanship in the federal public service are implemented under an accountability regime, culminating in reporting to Parliament. Audits, studies, evaluations and investigations help to ensure access, fairness, transparency and representativeness in the federal public service staffing process.

2008-2009 Financial Resources (\$ thousands)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
36,106	37,068	33,071	313	267	46

### Performance Information

**Expected result:** Organizations have implemented Public Service Commission (PSC) monitoring and audit recommendations and corrective action as a result of investigations that contribute to safeguarding the integrity of staffing and political neutrality

**Mostly Met**

**Indicator 1:** Percentage of PSC audit recommendations and corrective action implemented by organizations

**Target:** 100 %

**Performance evidence:** As a result of the 2007-2008 Departmental Staffing Accountability Report (DSAR) exercise, the PSC provided 68 organizations with recommendations for improvement. Through the 2008-2009 DSAR process, 37 (54%) of these organizations were assessed as having acted on all recommendations and demonstrated improvement in all recommendation areas. Most of the remaining organizations (23 of 31) acted on at least half of the recommendations and demonstrated improvement, while the remaining eight could not demonstrate that they had acted on and obtained improvement on at least half of the PSC's recommendations.

All organizations in receipt of audit recommendations are making progress in implementing them. Some recommendations require additional implementation time; monitoring is ongoing.

- Canada Space Agency has demonstrated improvement through its quarterly monitoring reports. As a result, some delegation conditions were removed in 2008-2009.
- The Commission for Public Complaints Against the Royal Canadian Mounted Police (RCMP) implemented all audit recommendations, resulting in the PSC restoring full delegation for staffing under the Public Service Employment Act (PSEA).
- The RCMP continues to implement its audit recommendations and the PSC is monitoring the situation closely. A senior PSC advisor has been appointed to oversee the implementation of these audit recommendations.

All instances where corrective action was assessed against an organization in response to an investigation are being monitored for compliance within the timeframes required. To date, all affected departments and agencies have met these requirements.



## Program activity 1.2.0 – Oversight of Integrity of Staffing and Political Neutrality

*The Oversight of Integrity of Staffing and Political Neutrality activity provides an accountability regime for the implementation of the appointment policy and regulatory frameworks for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes monitoring departments' and agencies' compliance with legislative requirements, conducting audits, studies and evaluations, carrying out investigations and reporting to Parliament on the integrity of public service staffing.*

### Benefits to Canadians:

The policy and regulatory framework safeguarding merit and non-partisanship in the federal public service are implemented under an accountability regime, culminating in reporting to Parliament. Audits, studies, evaluations and investigations help to ensure access, fairness, transparency and representativeness in the federal public service staffing process.

2008-2009 Financial Resources (\$ thousands)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
36,106	37,068	33,071	313	267	46

### Performance Information

<p><b>Expected result:</b> Organizations have implemented Public Service Commission (PSC) monitoring and audit recommendations and corrective action as a result of investigations that contribute to safeguarding the integrity of staffing and political neutrality</p>	<p><b>Mostly Met</b></p>
<p><b>Indicator 1:</b> Percentage of PSC audit recommendations and corrective action implemented by organizations  <b>Target:</b> 100 %</p>	
<p><b>Performance evidence:</b> As a result of the 2007-2008 Departmental Staffing Accountability Report (DSAR) exercise, the PSC provided 68 organizations with recommendations for improvement. Through the 2008-2009 DSAR process, 37 (54%) of these organizations were assessed as having acted on all recommendations and demonstrated improvement in all recommendation areas. Most of the remaining organizations (23 of 31) acted on at least half of the recommendations and demonstrated improvement, while the remaining eight could not demonstrate that they had acted on and obtained improvement on at least half of the PSC's recommendations.</p> <p>All organizations in receipt of audit recommendations are making progress in implementing them. Some recommendations require additional implementation time; monitoring is ongoing.</p> <ul style="list-style-type: none"> <li>• Canada Space Agency has demonstrated improvement through its quarterly monitoring reports. As a result, some delegation conditions were removed in 2008-2009.</li> <li>• The Commission for Public Complaints Against the Royal Canadian Mounted Police (RCMP) implemented all audit recommendations, resulting in the PSC restoring full delegation for staffing under the Public Service Employment Act (PSEA).</li> <li>• The RCMP continues to implement its audit recommendations and the PSC is monitoring the situation closely. A senior PSC advisor has been appointed to oversee the implementation of these audit recommendations.</li> </ul> <p>All instances where corrective action was assessed against an organization in response to an investigation are being monitored for compliance within the timeframes required. To date, all affected departments and agencies have met these requirements.</p>	

<b>Expected result:</b> <i>Enhanced risk-based oversight of the integrity of public service staffing</i>	<b>Mostly Met</b>
<b>Indicator 1:</b> Percentage of coverage of oversight activities (monitoring, audits, evaluations and studies)	
<b>Target:</b> 100%	
<p><b>Performance evidence:</b> In 2008-2009, the PSC Oversight Activity covered 80 of the 82 organizations: 76 through the DSAR process and 4 through audits. The remaining two organizations were not required to participate in the DSAR process because they were newly created in 2008-2009 and there were no results to monitor.</p> <p>The Survey of Staffing was launched to provide the PSC with more in-depth survey coverage, the results of which are used to support the PSC's ongoing monitoring activities.</p> <p>In 2008-2009, the PSC reported on two audits, one follow-up audit, two evaluations and three studies.</p>	

### Performance analysis

Oversight activities hold deputy heads accountable for exercising their delegated appointment authorities and allow the PSC to fulfill its reporting obligations to Parliament. This program activity has made significant progress in ensuring that organizations appropriately manage their delegated authorities. Also, significant work was undertaken to ensure that the level of oversight exercised by the PSC is appropriate and effective.

The PSC monitors and provides feedback to departments through the Departmental Staffing Accountability Report (DSAR) process and the Staffing Management Accountability Framework (SMAF). During 2008-2009, 68 departments and agencies received feedback letters and recommendations based on the previous year's DSAR, with the majority of these organizations accepting and implementing the PSC's recommendations. This resulted in rigorous assessment and improved accountability of the integrity of the staffing system for delegated departments and agencies. These recommendations were tracked by the PSC and organizations were asked to report through the 2008-2009 DSAR process on what actions they had taken to make corrections.

A review of the PSC's oversight function was completed in January 2009. The review was initiated by the PSC and conducted under the direction of an independent committee. The objective was to determine the appropriateness of the approach and level of effort of the PSC oversight function and to identify opportunities for improvement, while still respecting the PSC's statutory obligations. The Committee confirmed the appropriateness of the PSC's current approach and provided a number of valuable recommendations to support the refinement and ongoing improvements of the PSC's oversight function. The *Report of the Independent Review Committee* is available at <http://www.psc-cfp.gc.ca/abt-aps/rprt/ovr-srv/index-eng.htm>.

An important component of ensuring the integrity of the public service appointment process is the conduct of independent audits and studies by the PSC. During 2008-2009, the PSC tabled two audit reports to Parliament "*Government-wide audit of executive (EX) appointments*" and "*Royal Canadian Mounted Police – appointments under the PSEA*" and one follow-up audit, "*Commission for Public Complaints Against the RCMP*". The EX audit will serve as a benchmark for future monitoring and effective reporting on the results of Executive appointments.

In addition to these audits, three separate studies were conducted: Study on mobility of public servants, demonstrating the importance of recruitment, retention and succession strategies for specific occupational groups; the Educational Profile of Appointees; and Appointment under the *Public Service Employment Act* following participation in federal student employment programs.

The study results describe how the staffing system functions, addressing specific policy or program issues and/or current Parliamentary or public interest issues in order to support the PSC's oversight function.

The PSC investigates specific appointment processes and allegations of improper political activities. In 2008-2009, the PSC received a total of 432 files compared to 292 in 2007-2008. This increase is partially due to factors such as a lack of understanding by public servants of Part 7 of the PSEA regarding their political activities and a better understanding of PSC's role in investigations.

Investigations conducted over the reporting period resulted in 14 founded investigations into external appointment processes, 1 founded investigation on behalf of a deputy head, 6 founded fraud investigations and 17 founded investigations into improper political activities.

Investigations provide assurance to Parliament, and ultimately Canadians, regarding the integrity and effectiveness of the appointment process, including the protection of merit and non-partisanship.

#### **Lessons learned**

Although the review of the PSC oversight function found that the level and focus of this function were both appropriate, the report also outlined a number of areas for improvement. A full description of the recommendations from the Oversight Review can be found <http://www.psc-cfp.gc.ca/abt-aps/rprt/ovr-srv/index-eng.htm>.

## Program activity 1.3.0 – Staffing Services and Assessment

*The Staffing Services and Assessment activity develops and maintains systems that link Canadians and public servants seeking employment opportunities in the federal public service with hiring departments and agencies. It provides assessment-related products and services in the form of research and development, consultation, assessment operations and counselling for use in recruitment, selection and development throughout the federal public service. This activity also includes delivering staffing services, programs and products to departments and agencies, to Canadians and public servants, through client service units located across Canada.*

### Benefits to Canadians:

Staffing Services and Assessment help managers identify and hire qualified employees. Systems linking Canadians (including public servants) seeking employment opportunities in the federal public service with hiring departments and agencies are in place. Standardized assessment instruments, professional services and leading edge techniques such as e-testing support efficient, merit-based appointments through accurate and fair assessment of essential and asset qualifications, including second official language requirements.

2008-2009 Financial Resources (\$ thousands)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
46,527	53,985	56,167	563	600	(37)

Note: Excludes \$14 million of expenditures related to net voting activities offered on a cost recovery basis.

### Performance Information

<b>Expected result:</b> <i>Staffing and assessment services and products meet the business needs of clients and are consistent with the PSEA and the PSC strategic outcome</i>	<b>Mostly Met</b>
<b>Indicator 1:</b> Level of client satisfaction with PSC staffing and assessment services and products <b>Target:</b> Satisfactory consultation and survey results	
<b>Performance evidence:</b> Staffing Services client satisfaction - The Staffing and Assessment Services Branch (SASB) Client Satisfaction Survey was not available in 2008-2009. It is currently in the last stages of preparation and will be implemented starting end of June 2009. Assessment Services client satisfaction - In the absence of a SASB-wide survey, the Personnel Psychology Center (PPC) continued to administer its Executive Counseling Services Survey. Over 95% of the clients who responded to the questionnaire indicated (a) that the Executive Counseling Services had made a difference, and (b) that they would recommend the service to others. The PPC continued to distribute its survey on Test Services. Over 85% agreed or strongly agreed that Test Services responded quickly to their request and that the PPC understood their needs. Less than 4% of all responses were negative (either disagree or strongly disagree). Ninety percent of those who responded to the survey agreed or strongly agreed that they were provided with service in the first official language of their choice and were treated courteously.	
<b>Indicator 2:</b> Degree of consistency of staffing and assessment services and products with the PSEA and the PSC's strategic outcome <b>Target:</b> Satisfactory audit and study findings	



## Program activity 1.3.0 – Staffing Services and Assessment

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46,527	53,985	56,167	563	600	(37)

Note: Excludes \$14 million of expenditures related to net voting activities offered on a cost recovery basis.

### Performance Information

**Expected result:** *Staffing and assessment services and products meet the business needs of clients and are consistent with the PSEA and the PSC strategic outcome*

**Mostly Met**

**Indicator 1:** Level of client satisfaction with PSC staffing and assessment services and products

**Target:** Satisfactory consultation and survey results

**Performance evidence:** Staffing Services client satisfaction - The Staffing and Assessment Services Branch (SASB) Client Satisfaction Survey was not available in 2008-2009. It is currently in the last stages of preparation and will be implemented starting end of June 2009.

Assessment Services client satisfaction - In the absence of a SASB-wide survey, the Personnel Psychology Center (PPC) continued to administer its Executive Counseling Services Survey. Over 95% of the clients who responded to the questionnaire indicated (a) that the Executive Counseling Services had made a difference, and (b) that they would recommend the service to others.

The PPC continued to distribute its survey on Test Services. Over 85% agreed or strongly agreed that Test Services responded quickly to their request and that the PPC understood their needs. Less than 4% of all responses were negative (either disagree or strongly disagree). Ninety percent of those who responded to the survey agreed or strongly agreed that they were provided with service in the first official language of their choice and were treated courteously.

**Indicator 2:** Degree of consistency of staffing and assessment services and products with the PSEA and the PSC's strategic outcome

**Target:** Satisfactory audit and study findings

<b>Expected result:</b> <i>Staffing and assessment services and products meet the business needs of clients and are consistent with the PSEA and the PSC strategic outcome</i>	<b>Mostly Met</b>
<p><b>Performance evidence:</b> Under the 2008 Government-wide audit of Executive appointments, 27% of audited appointments involved the PSC as a service provider. Overall, this audit found there was a need for improvement in some of the advice and services provided by the PSC on Executive staffing. The PSC is committed to undertake a quality review of PSC files on Executive resourcing services provided to organizations to ensure quality and consistency with the PSC policy framework. The PSC commits to instituting rigorous quality control and introducing mechanisms to address changes in relevant policies, while maintaining service delivery standards.</p> <p>The PSC continued to develop innovative products, services and systems that optimize our business approaches for the delivery of staffing and assessment services. In the reporting period, the PSC piloted and implemented the Extreme Hiring Makeover (a project management hiring model), improved the job-seeker's experience by re-vamping the jobs.gc.ca Website, advanced the e-testing strategy and put in place plans to conduct Virtual Job Fairs, in partnership with departments and agencies.</p>	

### Performance analysis

The PSC continued to offer staffing and assessment services for the public service that complement services available within federal organizations and target economies of scale. The second Report of the Prime Minister's Advisory Committee on the Public Service released in February 2008 recommended that the PSC move more fully to cost recovery for its staffing and assessment services, with appropriate involvement by deputy heads in the governance of those services. Furthermore, with the support of the Clerk of the Privy Council, the PSC created a Deputy Minister Advisory committee to provide advice on issues concerning the delivery of its staffing and assessment services.

The PSC supported departments and agencies in their processes by providing broad recruitment and staffing services. During 2008-2009, organizations hired approximately 10,000 students under the PSC's Federal Student Work Experience Program. The Post Secondary Recruitment Program campaign reached record levels for the second year in a row with over 55,000 applications, leading to 18,000 candidate referrals for hiring organizations. More than 200 service requests were undertaken for turnkey or partial staffing services for more than 50 different federal organizations. In addition, the PSC created and maintained 43 pools and targeted inventories, enabling organizations time-saving access to partially or fully assessed candidates.

In the area of assessment, the PSC continued to deliver a wide range of optional and mandatory assessment services. During 2008-2009, the PSC implemented a new Second Language Evaluation (SLE) test of oral proficiency, a shortened version of the new SLE Test of Written Expression, and developed a new system for assessing official SLE test results for launch in the new fiscal year. The PSC also administered over 25,000 oral proficiency tests and fully met its priority-based service standards 100% of the time. The PSC delivered over 215,000 tests, increased the number of organizational e-testing centres and increased the number of PSC tests that can be administered electronically via these centres.

In 2008-2009, the PSC undertook a further review of its test security practices after receiving information which suggested that a private language school was in possession of PSC SLE tests. A PSC audit concluded that the private sector school possessed and used versions of the PSC SLE reading and writing tests without the authorization of the PSC. The PSC updated its Test

Security Action plan to address the recommendations from both the audit and the internal review perspectives. The PSC began implementing these recommendations in 2008-2009 and this work will continue into 2009-2010 and beyond.

The PSC continued to determine accommodation measures on PSC tests for persons with disabilities and, using cost-recovery, to provide advice and recommendations to departments and agencies on accommodation for specific organizational tests. The PSC received 2,442 accommodation requests, which constituted an increase of about 6.45% over the previous fiscal year. The growing demand for services in this area over recent years has been an operational challenge for the PSC. Measures are underway to streamline accommodation processes and to reduce backlogs and waiting periods in this area. In addition, the PSC developed new and modified assessment products including over 200 adapted test formats for persons with disabilities. The result is that candidates with disabilities were ensured fair assessment through advice and/or adapted PSC test formats, which enabled them to demonstrate their competencies.

The PSC also partnered with 16 federal organizations to create a Visible Minority Executive Pool enabling federal organizations to facilitate representation of this particular employment equity group in the public service.

The PSC continued to develop innovative approaches for the delivery of staffing and assessment services in the reporting period. The PSC piloted and implemented the Extreme Hiring Makeover (a project management hiring model), advanced the e-testing strategy and put in place plans to participate in job fairs using the Virtual Web World, in partnership with departments and agencies.

The PSC has developed a business plan for the Public Service Staffing Modernization Project to help secure funding and to ensure ongoing operations, continued innovations and enhancements and the creation of a single staffing portal for internal and external staffing. The PSC has worked with departments and agencies to obtain their support for our tools and the business plan, however funding is not secure. Discussions are underway with the Treasury Board of Canada Secretariat.

#### **Lessons learned**

The transition from appropriations to cost recovery for staffing and assessment services was a challenging one which required changes to infrastructure and business information and enhancements to client service and marketing approaches. The PSC will continue to increase its capacity to manage in a cost recovery environment and has established an action plan to sustain and enhance these new abilities and improve upon the products and services that are offered to client departments and agencies.

## Section III – Supplementary Information

### PSC Financial Statements

#### PUBLIC SERVICE COMMISSION

##### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Public Service Commission (PSC) for the year ended March 31, 2009 and all information contained in these statements rests with PSC's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of PSC's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the PSC's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act* and regulations and the *Public Service Employment Act*, are within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the PSC.

Management is also supported and assisted by a program of internal audit services. The PSC has an Internal Audit Committee. The responsibilities of the Committee are to provide the President with independent, objective advice, guidance and deliberation on the adequacy of the PSC's control and accountability processes.

The PSC's financial statements have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.

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Maria Barrados, Ph.D.  
President, Public Service Commission

Ottawa, Canada  
July 10, 2009

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Richard Charlebois, MBA, CMA  
Chief Financial Officer  
Vice-President, Corporate Management



Auditor General of Canada  
Vérificatrice générale du Canada

## AUDITOR'S REPORT

To the Speaker of the House of Commons and the Speaker of the Senate

I have audited the statement of financial position of the Public Service Commission as at March 31, 2009 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations and the *Public Service Employment Act*.

*Sheila Fraser*

Sheila Fraser, FCA  
Auditor General of Canada

Ottawa, Canada  
July 10, 2009



## PUBLIC SERVICE COMMISSION

### Statement of Financial Position

At March 31

(in thousands of dollars)

	2009	2008
<b>Assets</b>		
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	10,057	7,464
Accounts receivable and advances (Note 4)	2,155	7,021
	<u>12,212</u>	<u>14,485</u>
<b>Non-financial assets</b>		
Prepaid expenses	388	363
Tangible capital assets (Note 5)	21,352	22,287
	<u>21,740</u>	<u>22,650</u>
<b>Total assets</b>	<b>33,952</b>	<b>37,135</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	6,925	7,982
Accrued salary	6,234	3,899
Accrued vacation leave	3,630	3,724
Employee severance benefits (Note 7)	19,274	16,092
	<u>36,063</u>	<u>31,697</u>
<b>Equity of Canada (Note 8)</b>	<b>(2,111)</b>	<b>5,438</b>
<b>Total liabilities and Equity of Canada</b>	<b>33,952</b>	<b>37,135</b>
Contingent liabilities (Note 9)		
Contractual obligations (Note 10)		

*The accompanying notes form an integral part of these financial statements.*

Approved by:

Maria Barrados, Ph.D.  
President, Public Service Commission

Richard Charlebois, MBA, CMA  
Chief Financial Officer  
Vice-President, Corporate Management

## PUBLIC SERVICE COMMISSION

### Statement of Operations

For the year ended March 31

(in thousands of dollars)

	2009	2008
<b>Expenses (Note 11)</b>		
<b>Staffing services and assessment</b>		
Staffing services	44,832	41,297
Assessment services	33,718	31,472
	<u>78,550</u>	<u>72,769</u>
<b>Oversight of integrity of staffing and political neutrality</b>		
Audits, studies and evaluations	26,573	19,335
Investigations and early intervention mechanisms	7,678	9,233
Monitoring	5,329	5,199
	<u>39,580</u>	<u>33,767</u>
<b>Appointment integrity and political neutrality</b>		
Policy, regulation and exclusion approval orders	8,679	7,986
Non-delegated appointment authorities	6,877	5,444
Delegated appointment authorities	4,694	6,005
	<u>20,250</u>	<u>19,435</u>
<b>Total expenses</b>	<b>138,380</b>	<b>125,971</b>
<b>Revenues</b>		
Assessment and counselling services and products	12,044	10,752
<b>Activities on behalf of:</b>		
Canada School of Public Service	119	119
Canada Public Service Agency	-	325
	<u>119</u>	<u>444</u>
Less: Costs recovered	(119)	(444)
<b>Net cost of operations</b>	<b>126,336</b>	<b>115,219</b>

*The accompanying notes form an integral part of these financial statements.*

## **PUBLIC SERVICE COMMISSION**

### **Statement of Equity of Canada**

For the year ended March 31  
(in thousands of dollars)

	<b>2009</b>	<b>2008</b>
<b>Equity of Canada, beginning of year</b>	5,438	2,148
Net cost of operations	(126,336)	(115,219)
Net cash provided by Government of Canada	98,138	101,128
Change in Due from the Consolidated Revenue Fund	2,593	902
Services received without charge from other government departments and agencies (Note 13)	18,056	16,479
<b>Equity of Canada, end of year</b>	<b>(2,111)</b>	<b>5,438</b>

*The accompanying notes form an integral part of these financial statements.*



## **PUBLIC SERVICE COMMISSION**

### **Statement of Cash Flow**

For the year ended March 31

(in thousands of dollars)

	<b>2009</b>	<b>2008</b>
<b>Operating activities</b>		
Cash received from:		
Assessment and counselling services and products	15,498	8,787
Cash paid for:		
Salaries and employee benefits	85,860	80,785
Professional and special services	13,193	12,651
Transportation and telecommunications	2,865	3,939
Informatics, office equipment, furniture and fixtures	1,990	1,678
Repair and maintenance	1,924	1,102
Utilities, materials and supplies, and other payments	941	570
Printing and publications services	797	686
Rentals	777	1,015
	<u>108,347</u>	<u>102,426</u>
<b>Cash used by operating activities</b>	<b>92,849</b>	<b>93,639</b>
<b>Capital investment activities</b>		
Acquisitions of tangible capital assets	5,293	7,489
Proceeds from disposal of tangible capital assets	<u>(4)</u>	<u>-</u>
<b>Cash used by capital investment activities</b>	<b>5,289</b>	<b>7,489</b>
<b>Net cash provided by Government of Canada</b>	<b>98,138</b>	<b>101,128</b>

*The accompanying notes form an integral part of these financial statements.*

# **PUBLIC SERVICE COMMISSION**

## **Notes to the Financial Statements**

For the year ended March 31, 2009

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### **1. Authority and objectives**

The Public Service Commission (PSC) of Canada is an independent agency established under the *Public Service Employment Act* (PSEA) and listed in schedules 1.1 and IV of the *Financial Administration Act* (FAA). The PSC is dedicated to building a public service that strives for excellence by protecting merit, non-partisanship, representativeness of Canadian society and the use of both official languages. This responsibility is performed in the best interests of the public service as part of Canada's governance system, by administering and applying the provisions of the PSEA and by carrying out responsibilities as provided for in the *Employment Equity Act* and the *Official Languages Act*. The new PSEA came into force in December 2005. This legislation emphasizes the PSC's accountability to Parliament and delegates staffing authority to deputy heads who in turn are accountable to the PSC for exercising this power. The Commission also carries out audits and investigations and administers measures under the new PSEA regarding political activities of public servants.

The PSC, from its offices in Ottawa and its seven regional offices, offers recruitment services that allow talented Canadians, drawn from across the country, to join the public service and continually renews staffing services to meet the needs of a modern and innovative public service. The PSC has three program activities that contribute to the achievement of its objectives:

The **Appointment Integrity and Political Neutrality** activity develops and maintains a policy and regulatory framework for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes establishing policies and standards, providing advice, interpretation and guidance and administering delegated and non-delegated appointment authorities.

The **Oversight of Integrity of Staffing and Political Neutrality** activity provides an accountability regime for the implementation of the appointment policy and regulatory framework for safeguarding the integrity of public service staffing and ensuring political neutrality. This activity includes monitoring departments' and agencies' compliance with legislative requirements, conducting audits, studies and evaluations, carrying out investigations, and reporting to Parliament on the integrity of public service staffing.

The **Staffing Services and Assessment** activity develops and maintains systems that link Canadians and public servants seeking employment opportunities in the federal public service with hiring departments and agencies. It provides assessment-related products and services in the form of research and development, consultation, assessment operations and counselling for use in recruitment, selection and development throughout the federal public service. This activity also includes delivering staffing services, programs and products to departments and agencies, to Canadians and public servants, through client service units located across Canada.

# **PUBLIC SERVICE COMMISSION**

## **Notes to the Financial Statements**

For the year ended March 31, 2009

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### **2. Summary of significant accounting policies**

**(a) Basis of presentation**

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

**(b) Parliamentary appropriations**

The PSC is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the PSC do not parallel financial reporting according to Canadian generally accepted accounting principles for the public sector since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

**(c) Due from the Consolidated Revenue Fund**

The PSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the PSC is deposited to the CRF and all cash disbursements made by the PSC are paid from the CRF. Due from the CRF represents amounts of cash that the PSC is entitled to draw from the CRF, without further appropriations, in order to discharge its liabilities. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

**(d) Accounts receivable**

Accounts receivable are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

## **PUBLIC SERVICE COMMISSION**

### **Notes to the Financial Statements**

For the year ended March 31, 2009

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**(e) Tangible capital assets**

All tangible capital assets and leasehold improvements having an initial cost of \$5,000 or more are recorded as capital assets at their acquisition cost. Similar items under \$5,000 are expensed in the Statement of Operations. The PSC does not capitalize intangibles. The cost of assets under development by the PSC includes material, direct labour and related overhead. Amounts included in assets under development are transferred to the appropriate class of asset upon completion, and are then amortized. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<b>Asset class</b>	<b>Amortization period</b>
Office equipment	3 and 10 years
Informatics hardware and infrastructure	4 and 5 years
Computer software	3 years
In-house developed software	Lesser of 10 years or useful life
Furniture and fixtures	15 years
Vehicles	6 years
Leasehold improvements	Lesser of 10 years or term of lease

**(f) Salaries and benefits, and vacation leave**

Salaries and benefits, and vacation leave are expensed as the salary benefits accrue to employees under their respective terms of employment. The employee salaries and benefits liability is calculated based on the respective terms of employment using the employees' salary levels at year end, and the number of days remaining unpaid at the end of the year. The liability for vacation leave is calculated at the salary levels in effect at March 31<sup>st</sup> for all unused vacation leave benefits accruing to employees. Employee vacation pay liabilities payable on cessation of employment represent obligations of the PSC that are normally funded through future years' appropriations.

# **PUBLIC SERVICE COMMISSION**

## **Notes to the Financial Statements**

For the year ended March 31, 2009

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**(g) Employee future benefits**

**i. Pension benefits**

The PSC's eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The PSC's contributions to the Plan are charged to expenses in the year incurred and represent the total pension obligation of the PSC. The PSC is not required under current legislation to make contributions with respect to any actuarial deficiencies of the Plan.

**ii. Severance benefits**

Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

**(h) Revenues**

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

**(i) Services received without charge**

Services received without charge from other federal government departments and agencies are recorded as operating expenses at their estimated cost. A corresponding amount is reported directly in the Statement of Equity of Canada.

**(j) Measurement uncertainty**

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the estimated useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

## PUBLIC SERVICE COMMISSION

### Notes to the Financial Statements

For the year ended March 31, 2009

### 3. Parliamentary appropriations

The PSC receives most of its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the PSC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	(in thousands of dollars)	
	2009	2008
<b>Net cost of operations</b>	126,336	115,219
<b>Adjustments for items affecting net cost of operations but not affecting appropriations:</b>		
Services received without charge	(18,056)	(16,479)
Amortization of tangible capital assets	(6,203)	(3,924)
Revenue not available for spending	1,471	1,385
Employee severance benefits	(3,182)	(1,104)
Vacation leave	94	(9)
Other	507	380
	<u>100,967</u>	<u>95,468</u>
<b>Adjustments for items not affecting net cost of operations but affecting appropriations:</b>		
Acquisitions of tangible capital assets	5,293	7,489
Prepaid expenses	25	(76)
	<u>5,318</u>	<u>7,413</u>
<b>Current year appropriations used</b>	<b>106,285</b>	<b>102,881</b>



## PUBLIC SERVICE COMMISSION

### Notes to the Financial Statements

For the year ended March 31, 2009

(b) Appropriations provided and used:

	(in thousands of dollars)	
	2009	2008
<b>Parliamentary appropriations provided:</b>		
Voted - Operating expenditures	99,103	98,817
Statutory contributions to employee benefit plans	12,680	12,189
Spending of proceeds from disposal of surplus assets	4	-
Refund of previous year revenue	19	-
	<u>111,806</u>	<u>111,006</u>
Less: Lapsed appropriations - operating expenditures <sup>1</sup>	(5,521)	(8,125)
<b>Current year appropriations used</b>	<b>106,285</b>	<b>102,881</b>

Note 1: In 2008-2009, PSC expenditures were \$106,285 thousand against authorities of \$111,806 thousand. The under-expenditure is mainly due to delays in staffing, delays in the implementation of some projects and changes in program responsibility. The PSC is planning to carry forward to 2009-2010 the maximum amount of \$4,917 thousand, representing 5% of its total spending authorities in the Main Estimates

(c) Reconciliation of net cash provided by Government to current year appropriations used:

	(in thousands of dollars)	
	2009	2008
<b>Net cash provided by Government</b>	<b>98,138</b>	<b>101,128</b>
Revenue not available for spending	1,471	1,385
Variation in accounts payable, accrued liabilities and accrued salary	1,278	1,494
Variation in accounts receivable and advances	4,866	(1,524)
Other adjustments	532	398
<b>Current year appropriations used</b>	<b>106,285</b>	<b>102,881</b>

## PUBLIC SERVICE COMMISSION

### Notes to the Financial Statements

For the year ended March 31, 2009

#### 4. Accounts receivable and advances

	(in thousands of dollars)	
	2009	2008
Receivables - Federal Government departments, agencies and Crown corporations	2,146	7,005
Receivables - External parties	3	8
Advances to PSC's Employees	6	8
<b>Total</b>	<b>2,155</b>	<b>7,021</b>

#### 5. Tangible capital assets

	(in thousands of dollars)						
						2009	2008
	Cost						
	March 31, 2008	Acquisitions	Disposals, write-offs	Transfers	March 31, 2009	Net book value	Net book value
Office equipment	679	33	70	7	649	290	319
Informatics hardware and infrastructure	7,800	1,248	624	679	9,103	3,231	2,519
In-house developed software	16,634	633	17	6,200	23,450	10,851	8,771
Furniture and fixtures	822	174	-	474	1,470	1,204	628
Vehicles	25	30	25	-	30	27	8
Leasehold improvements	1,053	-	-	24	1,077	785	869
Assets under development	9,173	3,175	-	(7,384)	4,964	4,964	9,173
<b>Total</b>	<b>36,186</b>	<b>5,293</b>	<b>736</b>	<b>-</b>	<b>40,743</b>	<b>21,352</b>	<b>22,287</b>

# **PUBLIC SERVICE COMMISSION**

## **Notes to the Financial Statements**

For the year ended March 31, 2009

	(in thousands of dollars)			
	<b>2009</b>			
	<b>Accumulated amortization</b>			
	March 31, 2008	Amortization	Disposals, write-offs	March 31, 2009
Office equipment	360	49	50	359
Informatics hardware and infrastructure	5,281	1,215	624	5,872
In-house developed software	7,863	4,755	19	12,599
Furniture and fixtures	194	72	-	266
Vehicles	17	4	18	3
Leasehold improvements	184	108	-	292
<b>Total</b>	<b>13,899</b>	<b>6,203</b>	<b>711</b>	<b>19,391</b>

Amortization expense for the year ended March 31, 2009 is \$6,203,000 (\$3,924,000 in 2007-2008).

### **6. Accounts payable and accrued liabilities**

	(in thousands of dollars)	
	<b>2009</b>	<b>2008</b>
Payables - Federal Government departments, agencies and Crown corporations	1,832	2,030
Payables - External parties	5,093	5,952
<b>Total</b>	<b>6,925</b>	<b>7,982</b>

## PUBLIC SERVICE COMMISSION

### Notes to the Financial Statements

For the year ended March 31, 2009

#### 7. Employee benefits

(a) Pension benefits

The PSC eligible employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with the Canada and Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the PSC contribute to the cost of the Plan. The 2008-2009 expense amounts to \$9,493,000 (\$8,887,000 in 2007-2008), which represents approximately 2 times the employees' contributions.

The PSC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Employee severance benefits

The PSC provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	(in thousands of dollars)	
	2009	2008
Accrued benefit obligation, beginning of year	16,092	14,988
Expense for the year	5,087	2,977
Benefits paid during the year	(1,905)	(1,873)
<b>Accrued benefit obligation, end of year</b>	<b>19,274</b>	<b>16,092</b>

## **PUBLIC SERVICE COMMISSION**

### **Notes to the Financial Statements**

For the year ended March 31, 2009

#### **8. Equity of Canada**

The deficit represents liabilities incurred by the PSC, net of capital assets and prepaid expenses that have not yet been funded through appropriations. Significant components of this amount are employee severance benefits and vacation pay liabilities. These amounts are expected to be funded by appropriations in future years as they are paid.

#### **9. Contingent liabilities**

Claims have been made against the PSC in the normal course of operations. There are no claims pending at March 31, 2009 (\$315,000 at March 31, 2008).

#### **10. Contractual obligations**

The nature of the PSC's activities can result in some large multi-year obligations whereby the PSC will be obligated to make future payments when the services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	(in thousands of dollars)				
	2010	2011	2012	2013 and thereafter	Total
Service contracts	2,248	278	38	38	2,602
Operating leases	161	121	28	24	334
<b>Total</b>	<b>2,409</b>	<b>399</b>	<b>66</b>	<b>62</b>	<b>2,936</b>

## **PUBLIC SERVICE COMMISSION**

### **Notes to the Financial Statements**

For the year ended March 31, 2009

#### **11. Expenses by major classification**

	(in thousands of dollars)	
	<b>2009</b>	<b>2008</b>
Salaries and employee benefits	99,273	89,020
Professional and special services	14,567	13,770
Accommodation	10,409	10,111
Amortization of tangible capital assets	6,203	3,924
Transportation and telecommunications	2,740	3,969
Repair and maintenance	1,668	1,276
Informatics, office equipment, furniture and fixtures	1,308	1,669
Utilities, materials and supplies, and other	774	590
Rentals	730	1,010
Printing and publications services	708	632
<b>Total</b>	<b>138,380</b>	<b>125,971</b>

#### **12. Related party transactions**

The PSC is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The PSC enters into transactions with these entities in the normal course of business and on normal trade terms.

During 2008-2009, the PSC incurred expenses of \$35,772,000 (\$34,334,000 in 2007-2008) and earned revenues of \$12,037,000 (\$10,750,000 in 2007-2008) from transactions in the normal course of business with other federal government departments, agencies and Crown Corporations. These expenses include services received without charge as described in Note 13.



## **PUBLIC SERVICE COMMISSION**

### **Notes to the Financial Statements**

For the year ended March 31, 2009

#### **13. Services received without charge**

During the year, the PSC received services that were obtained without charge from other government departments and agencies. These services without charge have been recognized in the PSC's Statement of Operations as follows:

	(in thousands of dollars)	
	<b>2009</b>	<b>2008</b>
Public Works and Government Services Canada - accommodation	10,409	10,111
Treasury Board Secretariat - employer's share of insurance premiums	6,401	5,175
Justice Canada - legal services	997	919
Human Resources and Social Development Canada-employer's proportion of Worker's compensation payments	137	133
Office of the Auditor General of Canada - audit services	112	141
<b>Total</b>	<b>18,056</b>	<b>16,479</b>

## List of Supplementary Information Tables

Supplementary information on the following tables can be found on the Treasury Board of Canada Secretariat's Web site at <http://www.tbs-sct.gc.ca>.

- Sources of Respendable and Non-Respendable Revenue
- User fees / External fees
- Details on project spending
- Green Procurement
- Response to Parliamentary Committees, the Auditor General and to the Public Service Commission on External Audits
- Internal Audits and Evaluations

## Other Items of Interest

☞ - Supplementary information on the following subjects can be found in the publications section of the PSC's Web site at <http://www.psc-cfp.gc.ca>.

- [Organizational information](#)
- [Information by sub-activities](#)

This document is available on the Treasury Board of Secretariat's Web site at <http://www.tbs-sct.gc.ca> and on the publications section of the PSC's Web site at <http://www.psc-cfp.gc.ca>.